Elbit Systems™

Investor Conference 2023

March 2023

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In case of any inconsistency between the management review in Hebrew and the English simultaneous translation, the former will prevail.

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Financial Results

2022 Financial Highlights

$15.1Bn
Backlog

$5.5Bn
Revenues

$357M
Non-GAAP (*)
Operating income

$240M
Operating cashflow

(*)GAAP Operating Income: $368m.
For non-GAAP reconciliations reference the appendix to this presentation and Elbit Systems' investor relations website

Financial Results | 2022

	2021	2022	Change
Sales ($M)	**5,279**	**5,512**	**4.4%**
Non-GAAP Operating Profit ($M)	**451**	**357**	**(20.8%)**
Non-GAAP Operating margin (%)	**8.5%**	**6.5%**	**(206 bps)**
GAAP Operating Profit ($M)	419	367	(12.4%)
GAAP Operating Profit margin (%)	7.9%	6.7%	(128 bps)
Non-GAAP Earnings per share ($)	8.30	6.03	(27.3%)
GAAP Earnings per share ($)	6.20	6.18	0%
Operating cash Flow ($M)	417	240	(177m)
Backlog ($M)	**13,700**	**15,100**	**10.7%**

*For non-GAAP reconciliations reference the appendix to this presentation and Elbit Systems' investor relations website

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Financial Results | Q4 2022

	2021	2022	Change
Sales ($M)	**1,494**	**1,506**	**8.0%**
Non-GAAP Operating Profit ($M)	**120**	**103**	**(14.2%)**
Non-GAAP Operating margin (%)	**8.0%**	**6.8%**	**(119 bps)**
GAAP Operating Profit ($M)	107	120	12.1%
GAAP Operating Profit margin (%)	7.2%	8.0%	81 bps
Non-GAAP Earnings per share ($)	2.14	1.68	(21.5%)
GAAP Earnings per share ($)	0.18	1.91	961%
Operating cash Flow ($M)	260	195	(65m)
Backlog ($M)	**13,700**	**15,100**	**10.7%**

*For non-GAAP reconciliations reference the appendix to this presentation and Elbit Systems' investor relations website

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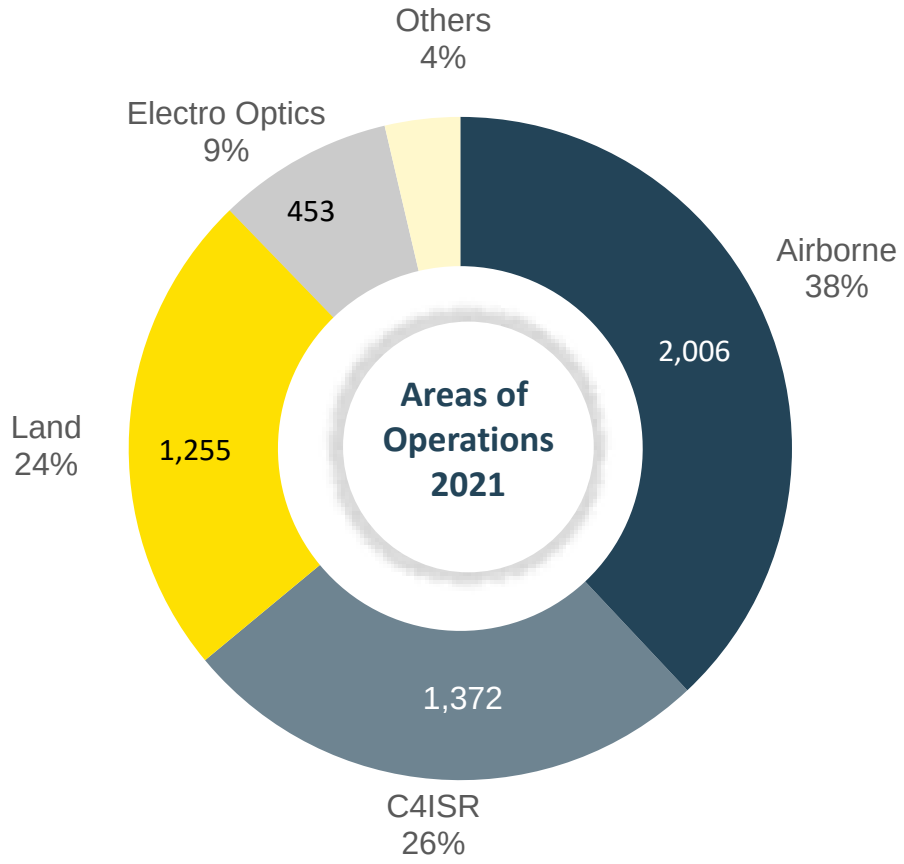
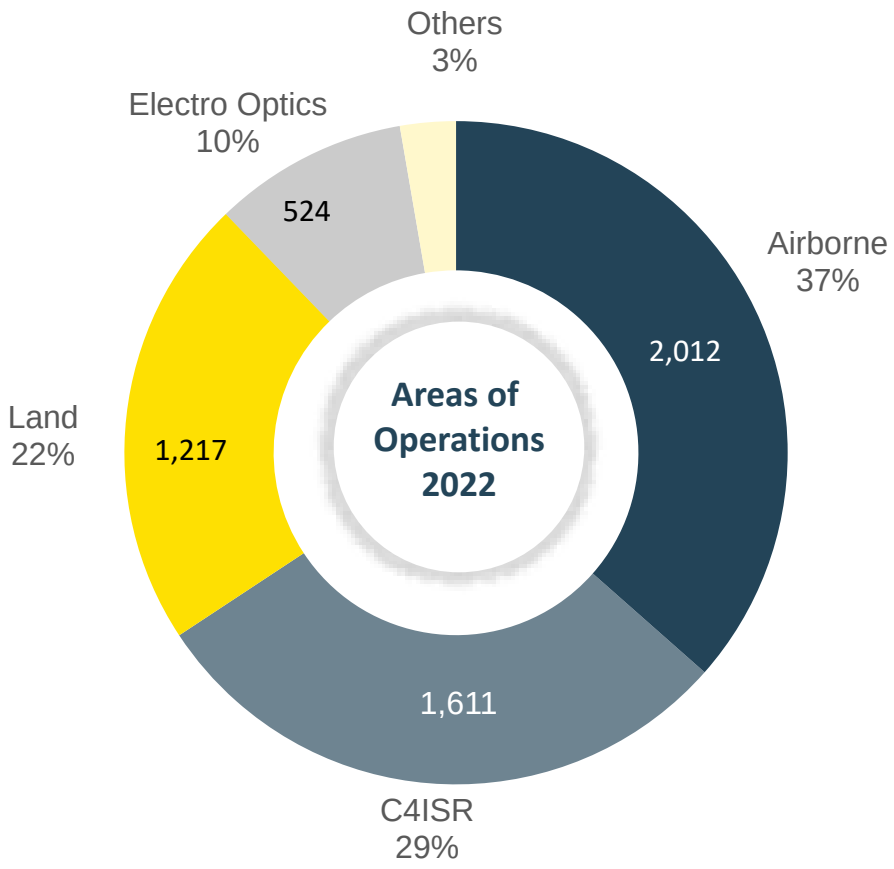
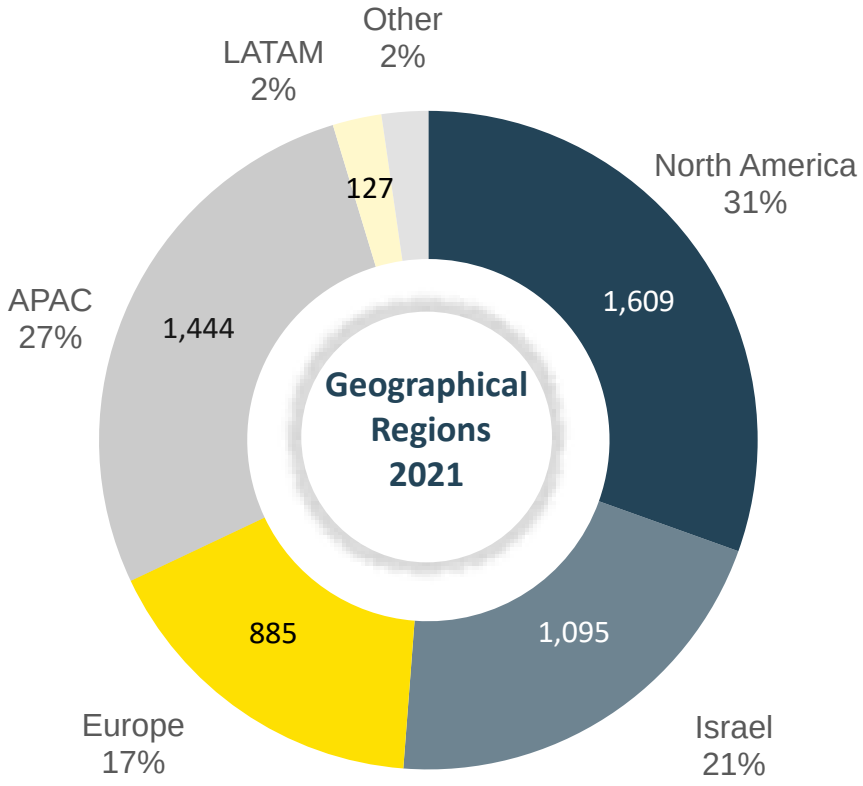
2022 Results | Revenues by Areas of Operation

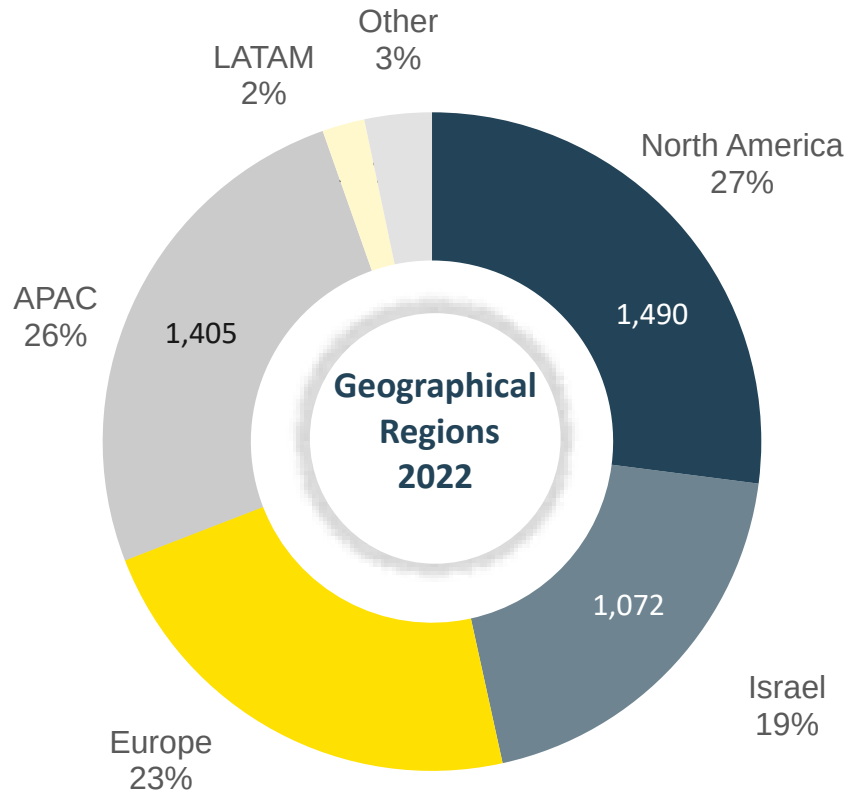




A broad technologically advanced portfolio

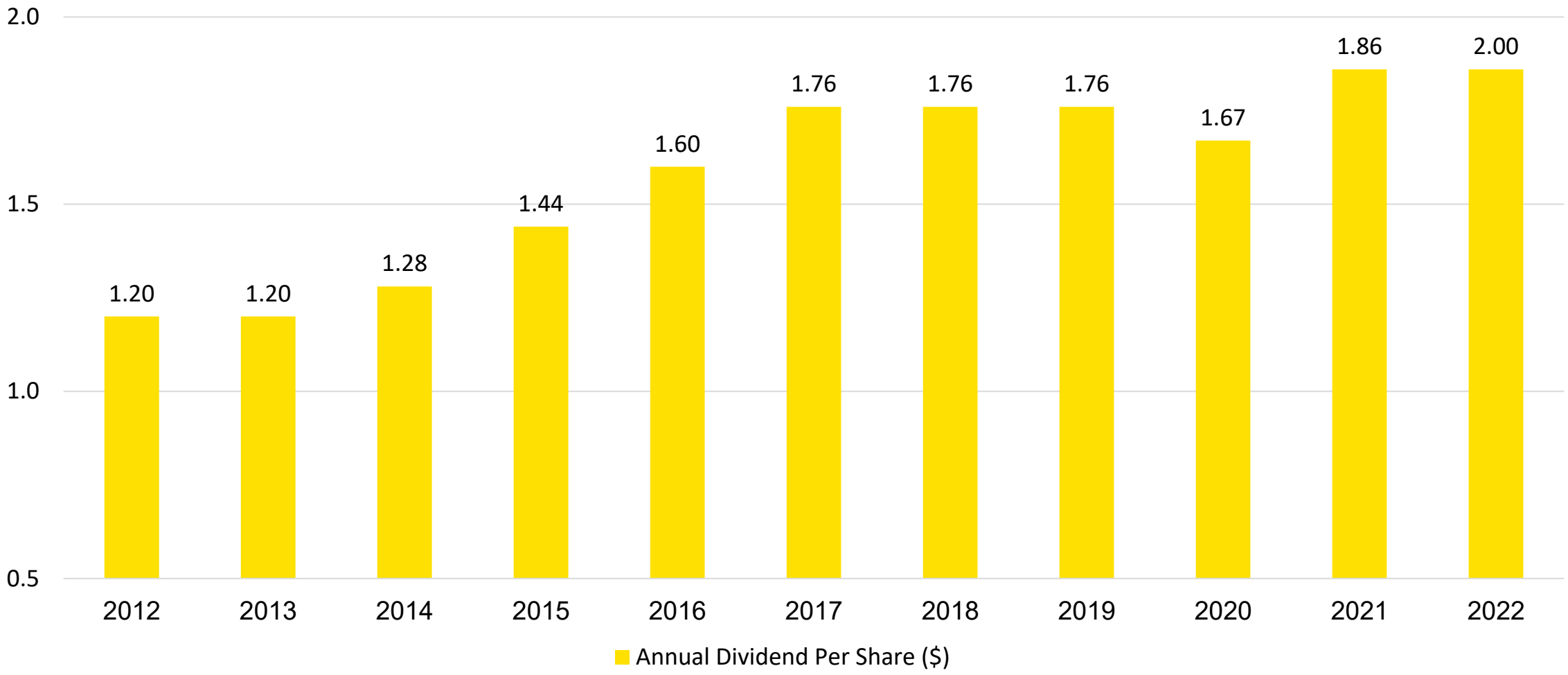
2022 Results | Revenues by Geographical Regions





Continue to expand a balanced global footprint

Annual Dividend | Returning cash to shareholders



Distributed more than $740m to shareholders during the period

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Business Environment

Israel | Largest Israeli Defense Company with Multiple Leading Positions

UAV
More than 80% of the IDF's UAVs

Artillery
Roem - New 155mm Howitzers

Electro-Optics
Production and Maintenance

Precision Munitions
Leveraging IMI acquisition

Electronic Warfare
IMoD EW Center of excellence

Network Centric Warfare
Digital Army Program 750 Operational

Survivability
Protecting Aerial, Ground and Naval platforms

Mission Training Centers
For Air and Ground forces

Advanced Avionics
5th Gen. Avionics

A multi-year defense budget provides stability and enables long term planning and large projects

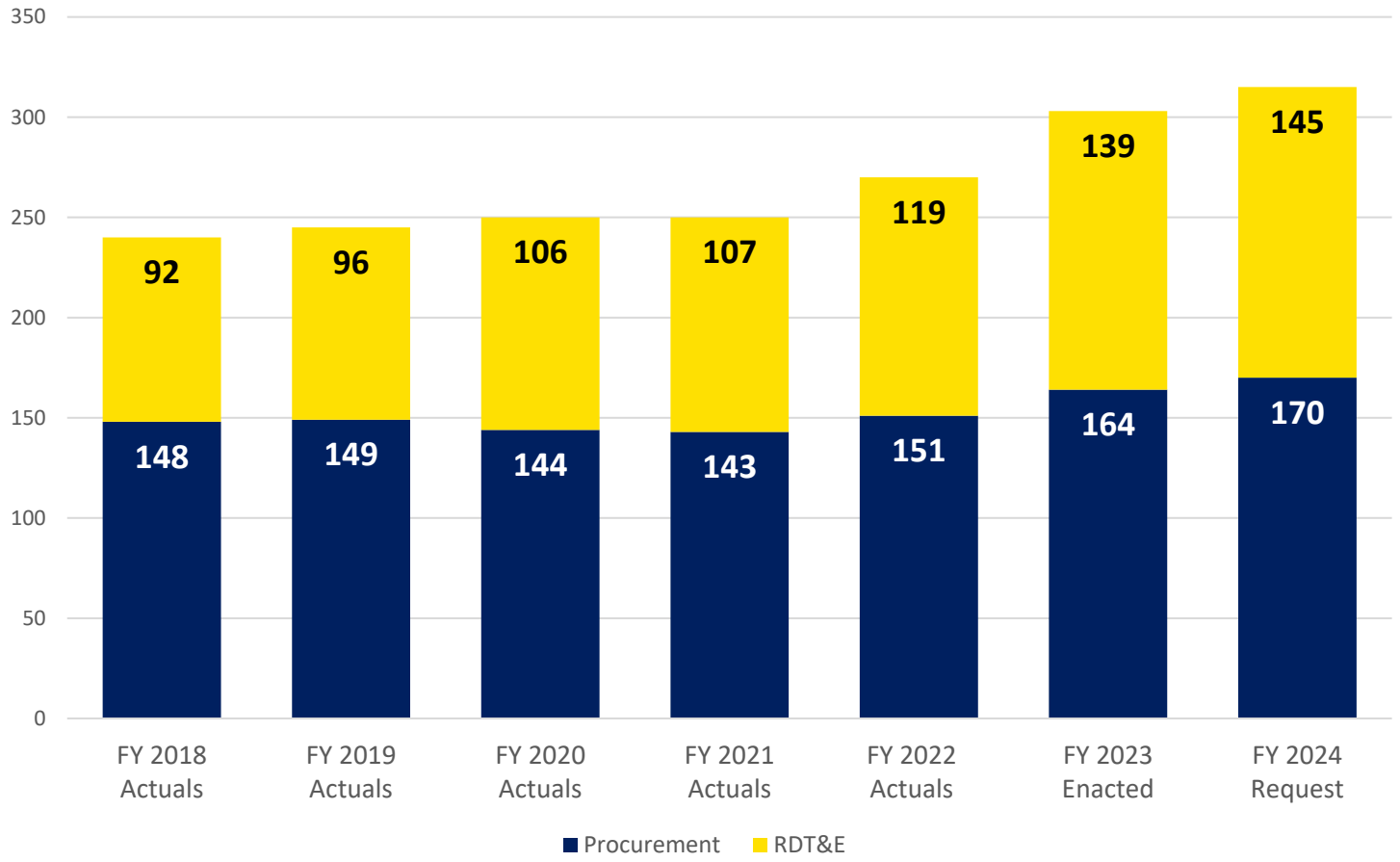
Elbit Achievements in Israel 2022 Clip

USA | Defense Budgets growing to address the evolving threat environment

- US Air Force and US Navy budgets growing to address the Chinese challenge
- US Army budgets benefitting from restocking of equipment and munitions sent to Ukraine

Source: US DoD | Defense Budget Request Overview

US DoD Budget - Investment Accounts ($Bn)



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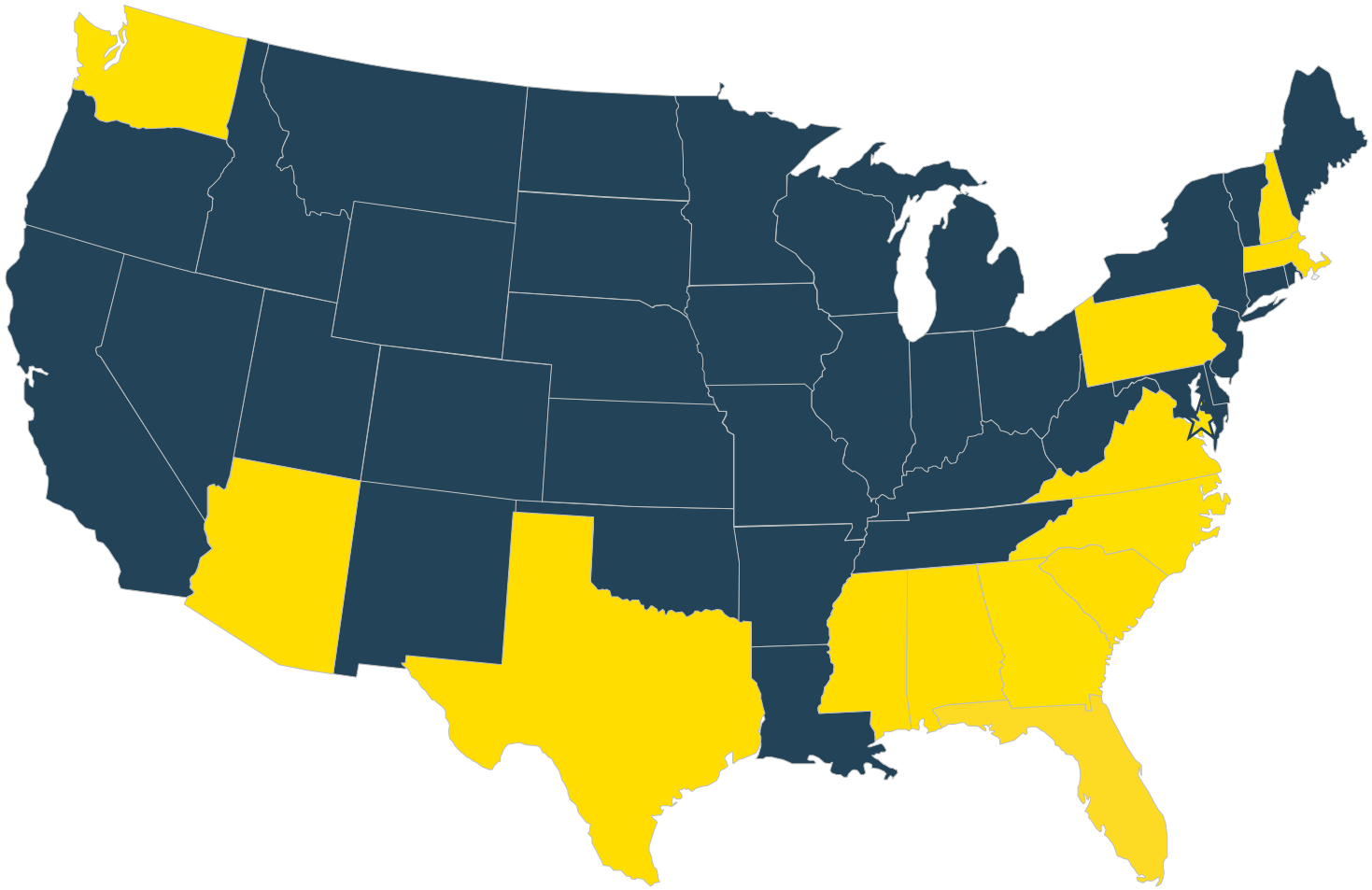
USA | A Strong Presence in a Strategic Market

- Elbit Systems is an integral part of the US Defense industrial base.
- Supplying directly to the US DOD and working with all major prime contractors
- SPARTON and Elbit Night Vision acquisitions have strengthened Elbit Systems' position as a US DOD OEM with a growing engineering and manufacturing footprint



$1.5Bn
Revenues

3,900
Employees

13
States

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USA | Positions on multiple platforms and programs

F35

F15

F16

F18

V22

AH-64

T7

Bradley

Underwater Warfare

Precision Fires

Night Vision and Soldier Systems

Survivable C4I

Asia Pacific | Significant potential from Abraham Accords Countries

Annual Defense Spend 2022

UAE
$25.2 Bn

Morocco
$6.8 Bn

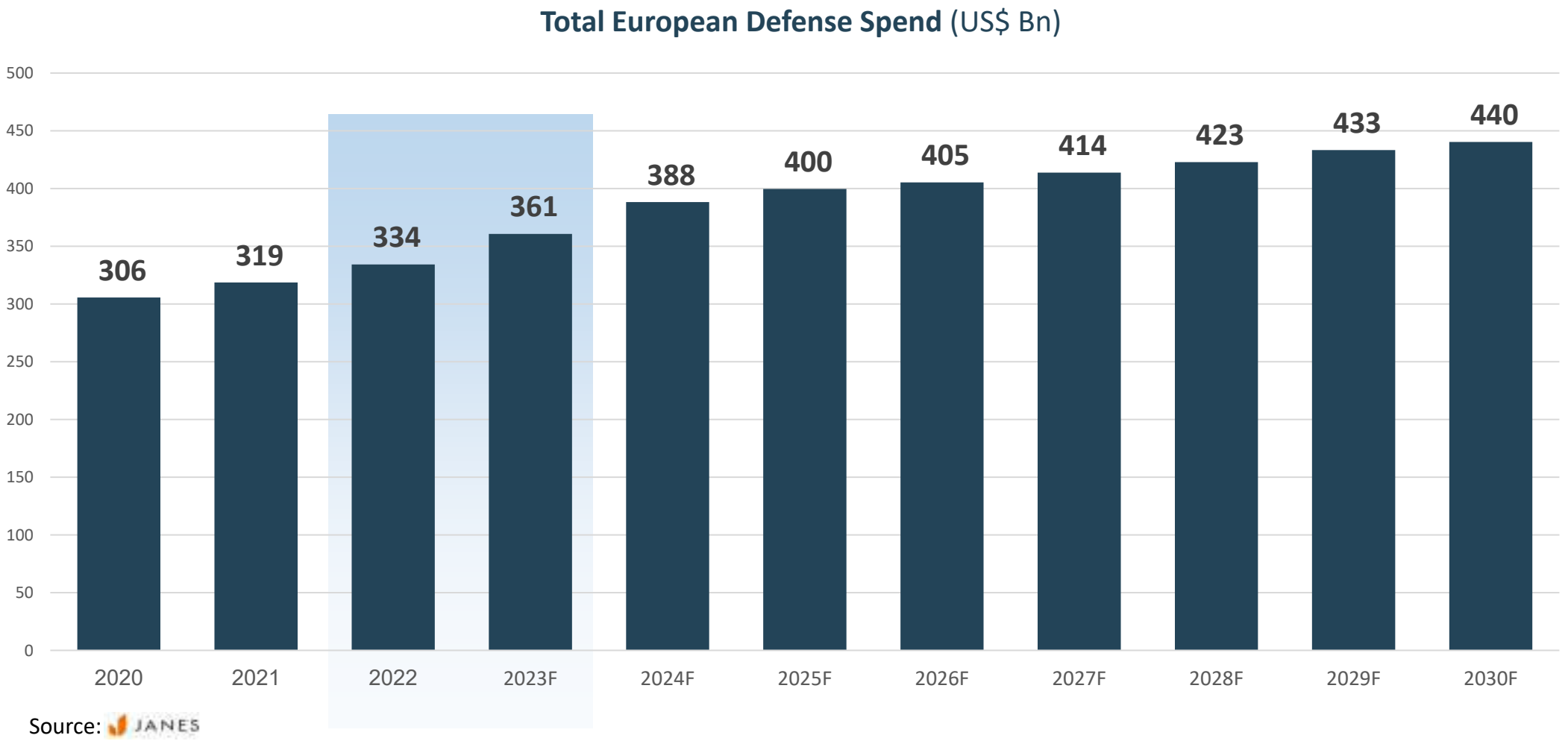
Bahrain
$1.9 Bn

Source: JANES

Members of the Abu Dhabi Royal Family meeting Elbit Systems Emirates Employees at IDEX 2023

Elbit Systems Emirates established in 2021 - a domestic presence supporting growth in the region

Europe | Defense budgets growing



Source: JANES

Recapitalizing armed forces and the defense industrial base

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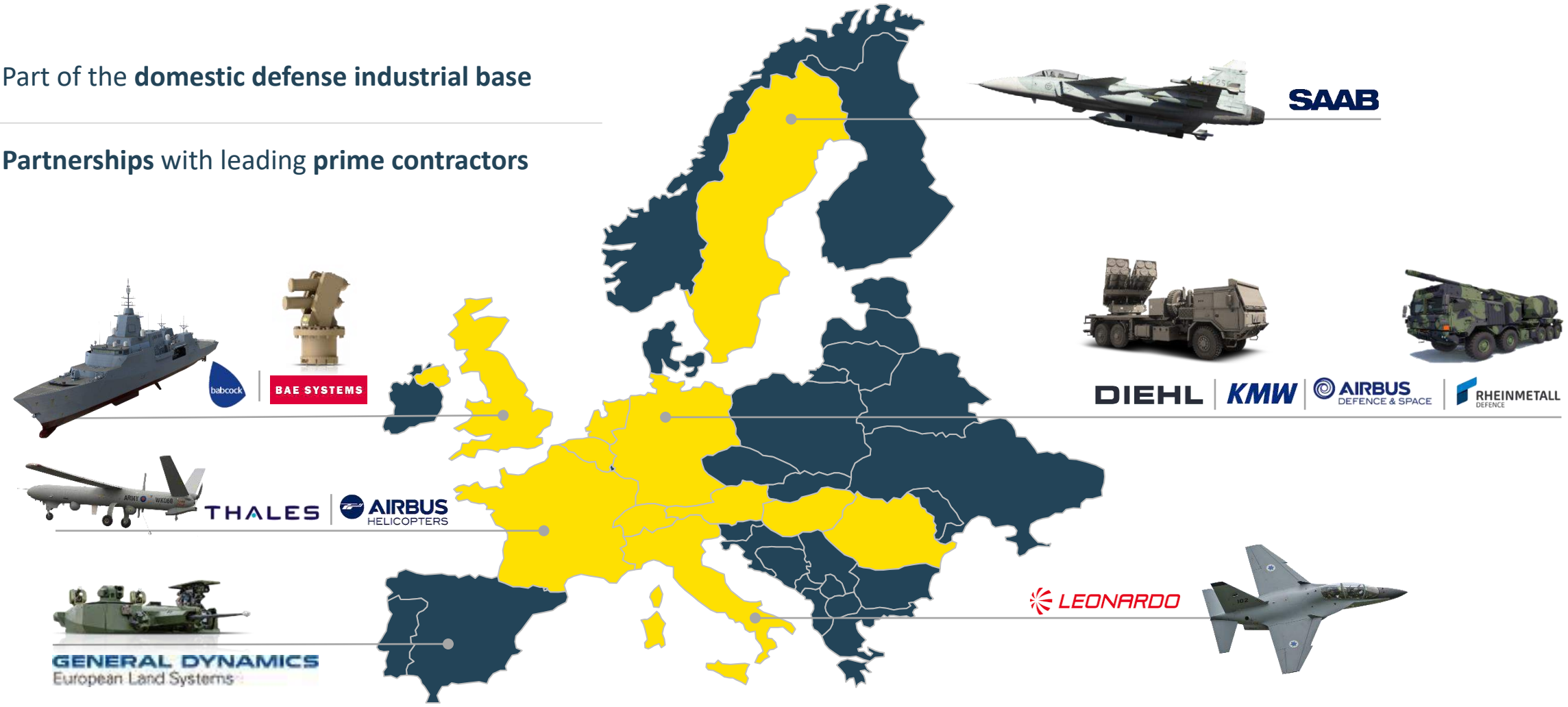
Europe | Strong positions to benefit from defense budget growth

- Part of the **domestic defense industrial base**
- **Partnerships** with leading **prime contractors**



Significant subsidiaries and local presence in multiple countries

Europe | Operational Insights from Russia - Ukraine War

The conflict has highlighted the relevance of Elbit Systems' portfolio

C4I
A critical contributor to multi domain operations that enhances the capabilities of maneuvering forces

Drones & UAV
Critical enabler for Artillery & ISTAR missions

Loitering Munitions
Provide a unique capability

Counter UAS Systems

Long range fires

Rocket Artillery
A Force Multiplier

Artillery
The importance of the "King of the Battle"

Precision Munitions
Improved accuracy, smaller and an extended range

Electronic Warfare
A must have although highly dependent on a military's C4I capabilities

Ammunition

Platform Protection
For aircraft and ground vehicles - APS and DIRCM

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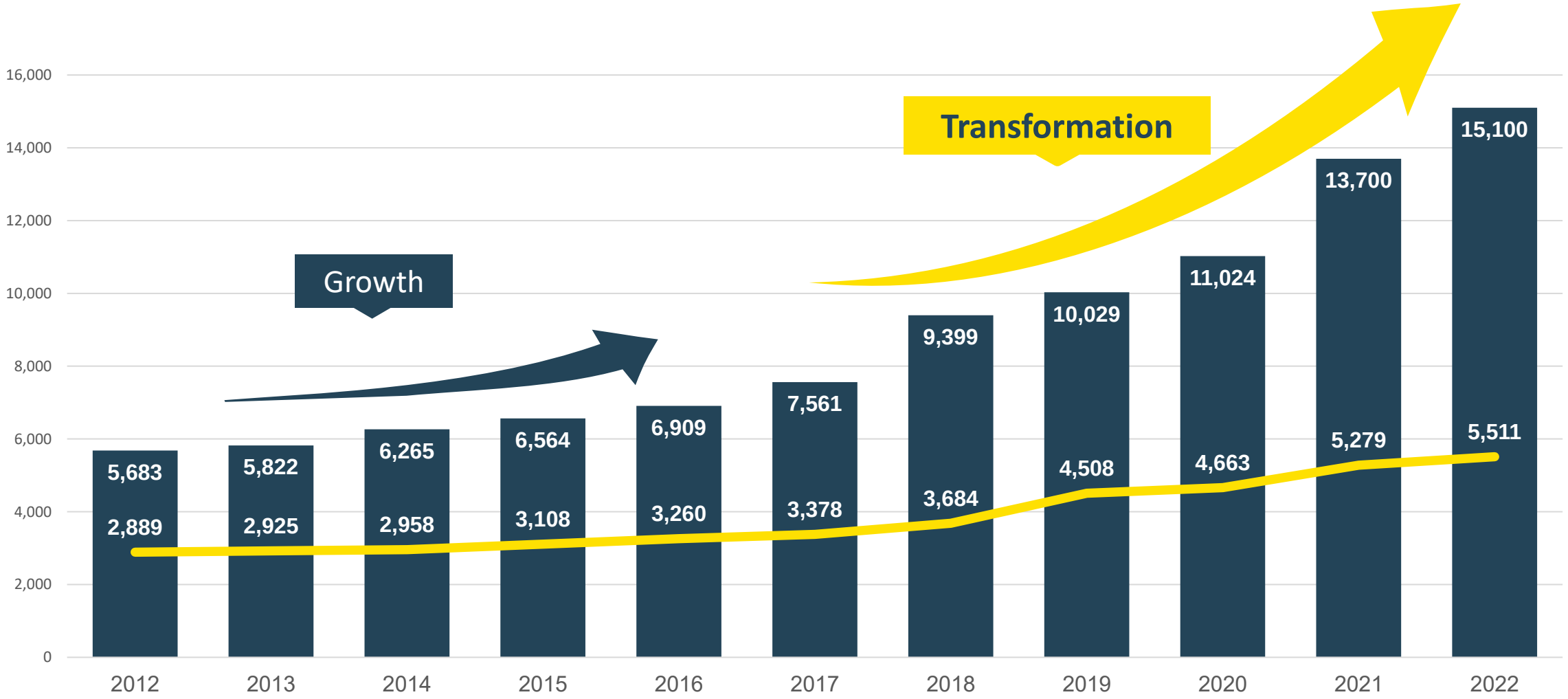
Business Achievements Clip

Order Backlog & Revenues | From Growth to Transformation



2012-2017
Backlog: 6 % CAGR | Revenue: 3% CAGR

2017-2022
Backlog: 15% CAGR | Revenue: 10% CAGR

Operational Transformation to support significant revenue growth

Upgrading and Expanding Manufacturing Facilities

Ramat Hasharon - Heavy Industry Robotics
Capacity +100%

Yokneam - Heavy Industry Robotics
Capacity +100%

Karmiel - New production line for Gen. 5 Avionic systems
Capacity +300%

Tel Hai - New SMT Line
Capacity +60%

Rehovot - Advance Electro-Optics
Capacity +40%

Cobots and Automation
Capacity +200%

Increase Throughput | Improve Efficiency | Enhance Quality | Shorten Lead-times

Building new facilities around the world

US - South Carolina | 12,600 sqm
Heavy Manufacturing

UK - Bristol | 5,000 sqm
Development and production

GERMANY - ULM | 800 sqm
Radio development and production

ISRAEL - Ramat Beka | 50,000 sqm
Ammunition Production

ISRAEL – Modi'in | 20,000 sqm
UAV development and production

ROMANIA | 6,000 sqm
Production

Increase Throughput | Improve Efficiency | Enhance Quality | Shorten Lead-times

Investing in Our People

- **Headcount** +5% in 2022
- **Retention plans -** expenses of approximately **$72m in 2022**
- **Revenue per employee -** up significantly over the last 5 years
- **Continue to recruit** around the world

Increasing our workforce to deliver a growing backlog

Supply chain | Significant disruption but pressures easing

Supply chain status:

- Raw materials - **Significantly improved**
- Freight and Transportation - **No longer a bottle neck**
- Electronic components - **Continues to impact the business**

How we addressed the challenge:

- Increased inventories
- Alternative sources
- Proactive supply chain management

We expect supply chain pressure to ease from the second half of 2023

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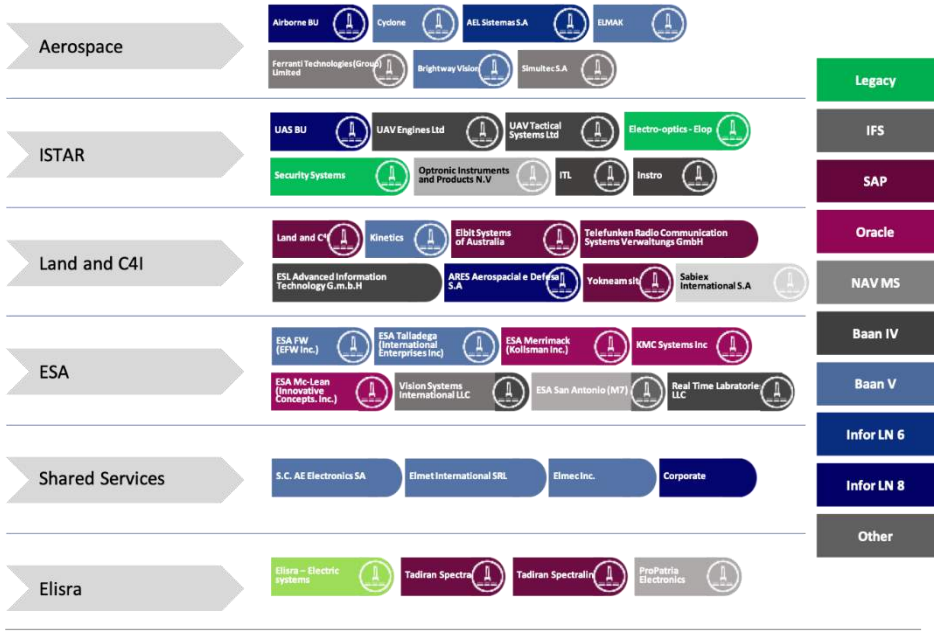
OneERP | Digital transformation of all Business Units



ONEERP

Cash flow | Profit | Efficiency

27 Geographical Sites

20 Software

14 Companies

11 ERP systems

More than **2B$** Managed Procurement

More than **11K** Managed Suppliers

More than **4K** Managed Projects

Our ERP integration effort started in 2019 and will be completed in 2023

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Summary

Multiple
Global Positions

Broad and
Relevant Portfolio

Operational transformation to support **growth** and improved **performance**

Focused on long term value creation for all our stakeholders

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Questions & Answers

Appendix | Non-GAAP Financial Data

Non-GAAP financial data is presented to enable investors to have additional information on our business performance as well as a further basis for periodical comparisons and trends relating to our financial results. We believe such data provides useful information to investors by facilitating more meaningful comparisons of our financial results over time. Such non-GAAP information is used by our management to make strategic decisions, forecast future results and evaluate our current performance. However, investors are cautioned that, unlike financial measures prepared in accordance with GAAP, non-GAAP measures may not be comparable with the calculation of similar measures for other companies.

The non-GAAP financial data herein includes reconciliation adjustments regarding non-GAAP gross profit, operating income, net income and diluted EPS. In arriving at non-GAAP presentations, companies generally factor out items such as those that have a non-recurring impact on the income statements, various non-cash items, including significant exchange rate differences, significant effects of retroactive tax legislation, changes in accounting guidance and other items and financial transactions not considered to be part of regular ongoing business, which, in management's judgment, are items that are considered to be outside the review of core operating results. In our non-GAAP presentation, we made certain adjustments as indicated in the table below.

These non-GAAP measures are not based on any comprehensive set of accounting rules or principles. We believe that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations, as determined in accordance with GAAP, and that these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures. Investors should consider non-GAAP financial measures in addition to, and not as replacements for or superior to, measures of financial performance prepared in accordance with GAAP.

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Reconciliation of GAAP to Non-GAAP (Unaudited) Supplemental Financial Data

	Years Ended December 31,	
	2021	2022
GAAP gross profit	**1,358.0**	**1,373.3**
Adjustments:		
Amortization of purchased intangible assets(*)	26.7	31.7
Non-GAAP gross profit	**1,384.7**	**1,405.0**
Percent of revenues	*26.2%*	*25.5%*
GAAP operating income	**418.5**	**367.5**
Adjustments:		
Amortization of purchased intangible assets(*)	47.0	49.2
Capital gain	(14.7)	(31.5)
Non-recurring grant	—	(28.6)
Non-GAAP operating income	**450.8**	**356.6**
Percent of revenues	*8.5%*	*6.5%*

	Years Ended December 31,	
	2021	2021
GAAP net income attributable to Elbit Systems' shareholders	**274.4**	**275.4**
Adjustments:		
Amortization of purchased intangible assets(*)	47.0	49.2
Capital gain	(24.9)	(20.5)
Revaluation of investment measured under fair value method	(17.3)	10.2
Non-operating foreign exchange (gains) losses	10.6	(10.5)
Non-recurring grant	—	(28.6)
Tax effect and other tax items, net	77.8	(6.3)
Non-GAAP net income attributable to Elbit Systems' shareholders	**367.6**	**268.9**
Percent of revenues	*7.0%*	*4.9%*
GAAP diluted net EPS	**6.20**	**6.18**
Adjustments, net	2.10	(0.15)
Non-GAAP diluted net EPS	**8.30**	**6.03**

(*) While amortization of acquired intangible assets is excluded from the measures, the revenue of the acquired companies is reflected in the measures and the acquired assets contribute to revenue generation.

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THANK YOU

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